



COVIDIEN

Acquisition of superDimension, Ltd.

March 19, 2012

Forward-Looking Statements

This presentation contains certain “forward-looking statements” that are not historical facts. These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results to differ materially from anticipated results. All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements.

The forward-looking statements in this presentation may include statements addressing the following subjects: the expected timing of the completion of the transaction, the effect of the transaction on Covidien’s business and competitive position, future innovation and market growth, Covidien’s future financial performance, financial condition and operating results, and economic, business, competitive and/or regulatory factors affecting our business. Any of the following factors may affect our future results:

- Uncertainties as to the timing of the transaction
- The risk that competing offers will be made
- The possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction
- The effects of disruption from the transaction making it more difficult to maintain relationships with employees, customers, vendors and other business partners
- The risk that stockholder litigation in connection with the transaction may result in significant costs of defense, indemnification and liability

Forward-Looking Statements (con't)

- Other business effects, including the effects of industry, economic or political conditions outside of Covidien's and superDimension's control
- Transaction costs

and other risks and uncertainties discussed in Covidien's filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" sections of Covidien's most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. In addition, our historical combined financial information prior to June 29, 2007, is not necessarily representative of the results we would have achieved as an independent, publicly-traded company and may not be a reliable indicator of our future results. Neither Covidien nor superDimension undertakes any obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law. All forward-looking statements in this announcement are qualified in their entirety by this cautionary statement.

Non-GAAP Financial Information

This presentation contains a non-GAAP financial measure. This non-GAAP financial measure, which is used as a measure of Covidien's performance, should be considered in addition to, not as a substitute for, or superior to, measures of Covidien's financial performance prepared in accordance with GAAP. Covidien's non-GAAP measures may be defined differently than similar terms used by other companies, and accordingly, care should be exercised in understanding how Covidien defines its non-GAAP financial measures.

Specifically, the Company defines free cash flow as net cash provided by continuing operating activities excluding class action and shareholder settlements minus capital expenditures.

This non-GAAP financial measure is also used by Covidien's management in their financial and operating decision-making because management believes it reflects the underlying economics of Covidien's ongoing business in a manner that allows meaningful period-to-period comparisons. Such comparisons may be more meaningful because operating results presented under GAAP may include, from time to time, items that are not necessarily relevant to understand Covidien's business and may, in some cases, be difficult to forecast accurately for future periods. Covidien's management believes that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating Covidien's current operating performance and future prospects in the same manner as management does if they so choose. Non-GAAP financial measures have limitations, however, because they do not include all items of income and expense that affect Covidien's operations. Covidien's management compensates for this and other limitations by also considering Covidien's financial results as determined in accordance with GAAP.

Acquisition of superDimension, Ltd.

superDimension

superDimension Overview

- Business:** Medical device manufacturer, founded in 1995. Developer and marketer of distal lung navigational technologies facilitating the evaluation and treatment options for lung cancer
- Products:** i-Logic™ system includes planning and navigation software that generates 3D images using patient CT scans, and disposable catheter-based tools for navigation and biopsy
- Ownership:** Venture-backed and privately-held
- Go-to-Market:** Direct sales in the U.S., primarily through distributors OUS
- Annual Sales:** Approximately \$30 million; 95% in the U.S.
- Employees:** About 130

Strategic Rationale

- **Adds a new growth platform to Covidien**
 - superDimension's i-Logic™ is a navigational technology platform that provides an attractive opportunity because it addresses unmet needs.
 - Clinically relevant and economically valuable innovation for Covidien.
 - Opportunity to move upstream of surgery, which is key to early evaluation.
- **Offers entry into therapeutic intervention**
 - Strengthen worldwide commercial infrastructure, expanding the benefits of the i-Logic™ System and Electromagnetic Navigation Bronchoscopy to a wider patient population
 - Attractive to patients, physicians and payers
- **Straightforward limited integration**

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Key Deal Terms

- **\$300MM upfront consideration**
- **Potential earn-out based on achievement of specific milestones**
- **Financed with cash on hand**
- **Closing expected by June 30, 2012**

Financial Overview

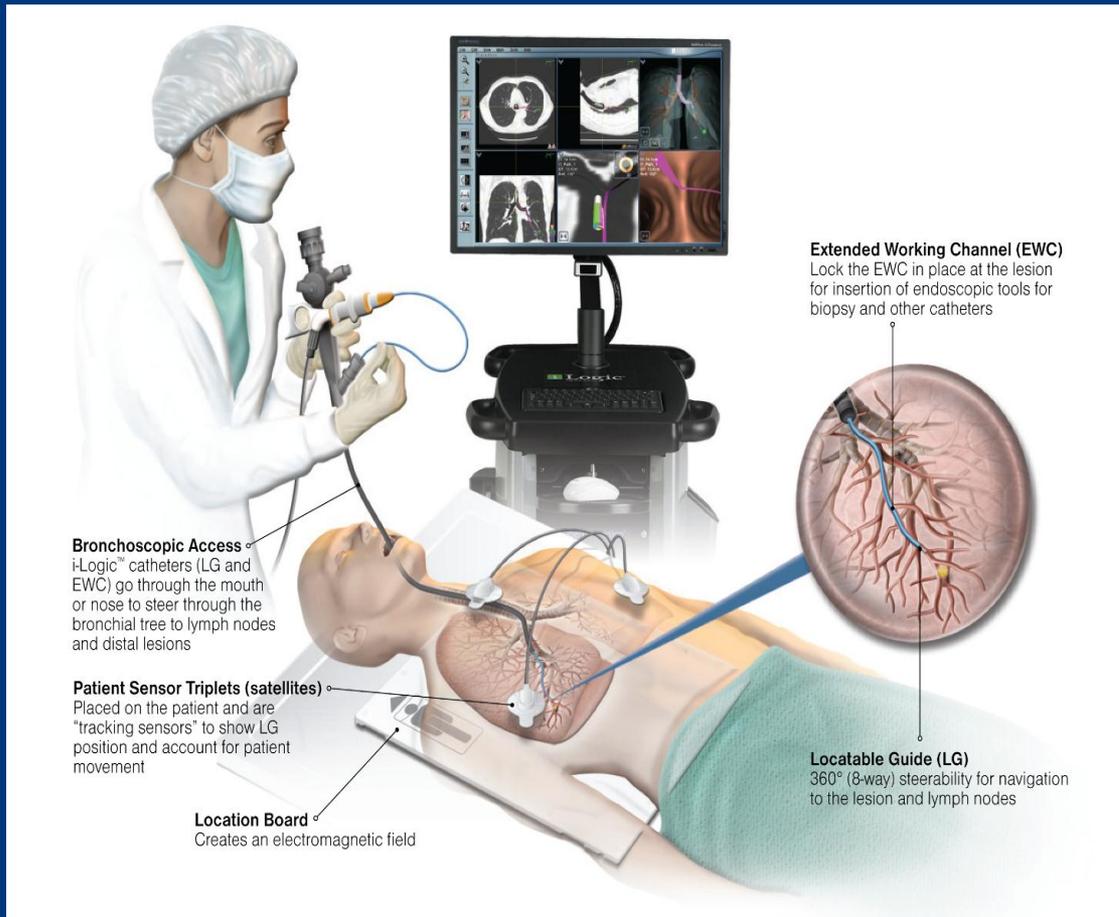
- **The combination of Covidien and superDimension is expected to enhance our operating profile in the next several years**
 - Accretive to revenue growth and gross margins
 - Attractive expansion opportunities OUS and research capability to drive future growth
- **Expected financial impact**
 - Neutral on a cash basis¹ in the first full year post close
- **Committed to maintaining our current strong investment grade rating while retaining balance sheet flexibility**
 - Expect to manage our cash balance in the \$1 Billion to \$2 Billion range
 - Continue targeting returns of 25% to 40% of free cash flow to shareholders *every year* through dividends and share repurchases
 - Balance sheet remains strong after concluding transaction

1. Excluding one-time costs and deal-related amortization

Enhances superDimension's Growth

- **Covidien infrastructure will accelerate superDimension growth**
 - Expand sales and marketing footprint in the U.S. - leveraging existing thoracic surgeon relationships
 - Employ Covidien's OUS sales and marketing infrastructure
 - Support from Covidien's national/strategic accounts, clinical, regulatory and healthcare economics functions
 - Use of Covidien's sales operations and professional training functions
- **Covidien will accelerate investments driving further expansion**
 - Leverage existing Covidien technology capabilities to develop minimally invasive treatment options
 - Consistent with Covidien's strategy to expand into adjacencies and invest in product categories where it can develop a global competitive advantage, and redefine patient care along the surgical continuum within the clinical specialties it serves

i-Logic™ System Background



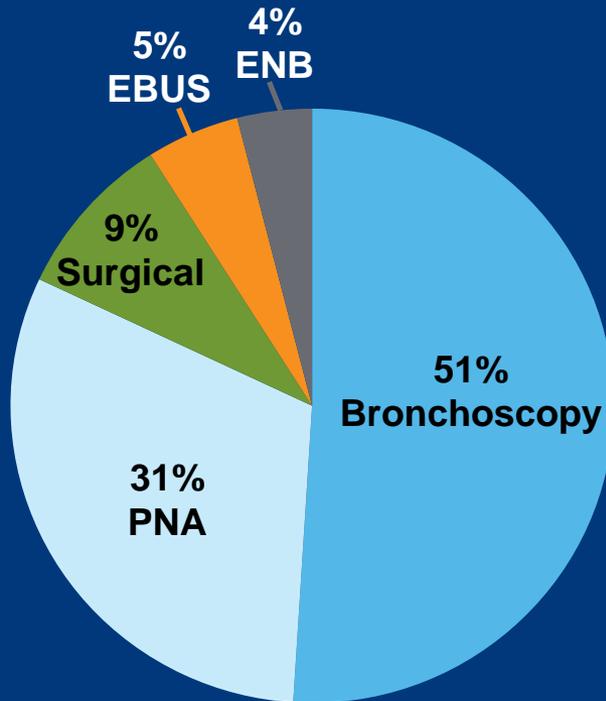
- inReach system elements:
 - Electromagnetic field
 - Patient sensors
 - Steerable, locatable guide
 - Extended working channel
 - Procedure-planning software
 - Disposable tools
- 16 patents issued; 54 patents pending
- 30,000 procedures performed to-date at 400 centers
- Customer mix: 70-80% Interventional Pulmonologists; 20-30% Thoracic Surgeons

Attractive Market Opportunity

Lung cancer screening

Market Drivers

2011 US Biopsy Procedure Share



ENB = Electromagnetic navigational bronchoscopy
EBUS = Endo-bronchial ultrasound
PNA = Percutaneous needle aspiration

- Lung cancer is #1 cause of cancer-related deaths in the U.S.
- Lung cancer has the highest mortality rate ... but lacks established screening guidelines
- Approximately 375,000 biopsy procedures in U.S. annually
- Biopsy procedures expected to grow at mid- to high-single digits over the next decade

Critical Success Factors

- **superDimension is well positioned**
 - Electromagnetic navigation bronchoscopy: minimally invasive procedure to locate / biopsy lung lesions
 - 12 clinical studies with total 742 patients
 - 29 published clinical articles, 21 safety / accuracy / yield and 8 on new techniques
 - Facilitates more effective evaluation of lung lesions, potentially enabling safer, more effective tissue biopsies
 - Reimbursement increased in 2012
- **Augmented by Covidien capabilities**
 - Sales and marketing infrastructure
 - World-class physician training program
 - Leverage Professional Affairs and Clinical Education
 - Extended reach through geographic expansion opportunities



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